

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 17 – SB 28

February 23, 2015

SUMMARY OF ORIGINAL BILL: Authorizes the City of Columbia to levy a hotel occupancy tax, not to exceed five percent of the consideration charged by the operator, subject to the adoption of an ordinance by a two-thirds vote of the municipal legislative body.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – \$403,400/Permissive

SUMMARY OF AMENDMENT (002575): Establishes that all proceeds received by the city from the tax shall be dedicated solely for tourism development in Maury County, rather than for the preservation of a historical building located within the city for the purpose of attracting tourism.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The Department of Health reports there are 11 hotels in Maury County, with a total of 652 rooms. Nine of those hotels, with 578 rooms, are located within the city limits of Columbia.
- Maury County currently imposes a five percent hotel occupancy tax.
- Maury County's FY14-15 Operating Budget shows that hotel occupancy tax collections were \$472,894 in FY12-13 (audited actual collections), and \$458,563 in FY13-14 (unaudited actual collections), with the approved budget of \$455,000 for FY14-15.
- The City of Columbia elects to impose a five percent tax upon passage of this bill.
- The permissive recurring increase in local government revenue is estimated to be \$403,359 [$\$455,000 \times (578 / 652)$].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffry A. Spalding".

Jeffrey L. Spalding, Executive Director

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